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1996 Jul

DEPARTMENT OF LIVESTOCK



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STATE OF MONTANA

(406) 444-2875 MILK CONTROL BUREAU

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BEFORE THE BOARD OF MILK CONTROL OF THE STATE OF MONTANA ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES

STATE DOCUMENT

PUBLISHED: July 5, 1996
EFFECTIVE: August 1, 1996
12:01 a.m.

Due to the latest data available as of July 5, 1996, as applied to the Producer Formula the Producer Formula Index has been calculated to be 294.92. (Docket #69-84, first price announcement effective 7/01/84)

MINIMUM PRODUCER CLASS I PRICE IN MONTANA

REF: ARM 32.24.301(3)

EFFECTIVE AUGUST 1, 1996, the minimum price to be paid milk producers, under ARM 32.24.301, will be \$17.07 per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of twelve and one-half cents for each one-tenth of one percent butterfat above or below the midpoint to each producer payment. The value of one pound of butterfat utilized will be one dollar and twenty-five cents (\$1.25).

MINIMUM PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 32.24.301(4)

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CLASS II PRICE FOR MILK TESTING 3.5%

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\$15.32 /CWT

Average spray process dry milk solids

price per pound = \$1.32750

Multiplied by 8.2 x 8.2

\$10.88550

\$10.88550

PLUS +

Average Grade 'A' 92 score butter

price per pound = \$1.39500

Multiplied by 4.2 x 4.2

\$5.85900

+ \$5.85900

\$16.74450

LESS 8.5% (\$16.74450 X .085)

- \$1.42328

\$15.32122

Rounded to the nearest whole cent = \$15.32/hundredweight.

PLEASE RETURN

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CLASS II BUTTERFAT PRICE PER POUND

\$1.55 /LB

Butterfat differential	(	\$1.39500	X	.111	)	=	\$0.15485
Rounded to the nearest half cent	=						\$0.155

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CLASS II VALUE OF ONE POUND OF SKIM

\$0.10254 /LB

Butterfat value per pound	=	\$1.55					
for milk at 3.5% test:							
Hundredweight price of milk testing 3.5%	=					\$15.32	
LESS 3.5 pounds of butterfat at		\$1.55 per pound	-			\$5.425	

Value of 96.5 pounds of skim	=					\$9.895	
Value of one pound of skim	(	9.895 ÷ 96.5 pounds)	=			\$0.10254	/LB

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PRODUCER CLASS III PRICE IN MONTANA

REF: ARM 32.24.301(5)

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CLASS III BUTTERFAT PRICE PER POUND

\$1.26 /LB

Avg. Grade 'A' 92 score butter price/LB	\$1.39500						
LESS 10%	-	\$0.13950					
		\$1.25550					

Rounded to the nearest whole cent	=	\$1.26 per pound.					
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CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED

\$9.03 /CWT

Avg. spray process dry milk solid price/LB	\$1.32750						
Multiplied by 8.2	x	8.2					
		\$10.88550					
LESS 17%	-	\$1.85054					
		\$9.03496					

Rounded to the nearest whole cent	=	\$9.03 per hundredweight.					
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CLASS III PRICE PER CWT FOR MILK TESTING 3.5%

\$13.13 /CWT

3.5 pounds of butterfat	x	\$1.26 per pound =	\$4.410				
96.5 pounds of skim	x	\$0.09035 per pound =	\$8.719				

\$13.129 /CWT

BY ORDER OF THE MONTANA MILK CONTROL BUREAU

Compiled by:

Marlys M. Koontz
 Marlys M. Koontz, Admin. Support
 Montana Milk Control Bureau

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BREAKDOWN BY TEST FOR CLASS I, II & III SKIM PRICES

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CLASS I SKIM PRICE BASED ON		CLASS II SKIM PRICE BASED ON		CLASS III SKIM PRICE BASED ON	
\$17.07 FOR 3.5% MILK		\$15.32 FOR 3.5% MILK		\$13.13 FOR 3.5% MILK	
96.5 LBS.	= \$12.695	96.5 LBS.	= \$9.895	96.5 LBS.	= \$8.719
TEST	PRICE/LB	TEST	PRICE/LB	TEST	PRICE/LB
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2.50	\$0.13021	2.50	\$0.10149	2.50	\$0.08942
2.55	\$0.13027	2.55	\$0.10154	2.55	\$0.08947
2.60	\$0.13034	2.60	\$0.10159	2.60	\$0.08952
2.65	\$0.13041	2.65	\$0.10164	2.65	\$0.08956
2.70	\$0.13047	2.70	\$0.10170	2.70	\$0.08961
2.75	\$0.13054	2.75	\$0.10175	2.75	\$0.08965
2.80	\$0.13061	2.80	\$0.10180	2.80	\$0.08970
2.85	\$0.13067	2.85	\$0.10185	2.85	\$0.08975
2.90	\$0.13074	2.90	\$0.10191	2.90	\$0.08979
2.95	\$0.13081	2.95	\$0.10196	2.95	\$0.08984
3.00	\$0.13088	3.00	\$0.10201	3.00	\$0.08988
3.05	\$0.13094	3.05	\$0.10206	3.05	\$0.08993
3.10	\$0.13101	3.10	\$0.10212	3.10	\$0.08998
3.15	\$0.13108	3.15	\$0.10217	3.15	\$0.09002
3.20	\$0.13115	3.20	\$0.10222	3.20	\$0.09007
3.25	\$0.13121	3.25	\$0.10227	3.25	\$0.09012
3.30	\$0.13128	3.30	\$0.10233	3.30	\$0.09016
3.35	\$0.13135	3.35	\$0.10238	3.35	\$0.09021
3.40	\$0.13142	3.40	\$0.10243	3.40	\$0.09026
3.45	\$0.13149	3.45	\$0.10249	3.45	\$0.09030
3.50	\$0.13155	3.50	\$0.10254	3.50	\$0.09035
3.55	\$0.13162	3.55	\$0.10259	3.55	\$0.09040
3.60	\$0.13169	3.60	\$0.10265	3.60	\$0.09044
3.65	\$0.13176	3.65	\$0.10270	3.65	\$0.09049
3.70	\$0.13183	3.70	\$0.10275	3.70	\$0.09054
3.75	\$0.13190	3.75	\$0.10281	3.75	\$0.09058
3.80	\$0.13196	3.80	\$0.10286	3.80	\$0.09063
3.85	\$0.13203	3.85	\$0.10291	3.85	\$0.09068
3.90	\$0.13210	3.90	\$0.10297	3.90	\$0.09073
3.95	\$0.13217	3.95	\$0.10302	3.95	\$0.09077
4.00	\$0.13224	4.00	\$0.10307	4.00	\$0.09082
4.05	\$0.13231	4.05	\$0.10313	4.05	\$0.09087
4.10	\$0.13238	4.10	\$0.10318	4.10	\$0.09092
4.15	\$0.13245	4.15	\$0.10323	4.15	\$0.09096
4.20	\$0.13252	4.20	\$0.10329	4.20	\$0.09101
4.25	\$0.13258	4.25	\$0.10334	4.25	\$0.09106
4.30	\$0.13265	4.30	\$0.10340	4.30	\$0.09111
4.35	\$0.13272	4.35	\$0.10345	4.35	\$0.09115
4.40	\$0.13279	4.40	\$0.10350	4.40	\$0.09120
4.45	\$0.13286	4.45	\$0.10356	4.45	\$0.09125
4.50	\$0.13293	4.50	\$0.10361	4.50	\$0.09130

